

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6982**

**BILL NUMBER: HB 1251**

**NOTE PREPARED: Jan 10, 2008**

**BILL AMENDED:**

**SUBJECT:** Various property tax matters.

**FIRST AUTHOR:** Rep. Saunders

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** \_\_\_**GENERAL**  
                          \_\_\_**DEDICATED**  
                          \_\_\_**FEDERAL**

**IMPACT:** Pending

**Summary of Legislation:** Changes the assessment date for all real and personal property from March 1 to January 1. Makes numerous related changes. Changes the general reassessment cycle to correspond to the change in the assessment date. Changes the personal property tax return date from May 15 to March 1 and the filing extension date from June 14 to April 15. Changes various dates regarding assessed value filings by local officials. Phases in over five years a requirement to assess agricultural land based on the average estimated land value as reported in the Annual Survey of Indiana Farmland Values published by Purdue University. Provides that an assessing official is not required to mail an assessment notice to the taxpayer when the change in the assessment amount is the result of an annual adjustment of the assessed value. Provides that a county assessor may elect to assess major industrial properties in Lake County with an Indiana certified general appraiser rather than by the department of local government finance (DLGF). Provides that the DLGF shall distribute \$5,000 annually to each county assessor that is compliant with the DLGF's annual review of county assessments. Provides that the county will pay for any social security or withholding taxes for the additional distribution. Provides that a professional appraiser may have its certification revoked by the DLGF if a county for which it has contracted to perform services receives an equalization order. Requires the Indiana board of tax review to hire at least two Indiana certified general appraisers. Repeals: (1) a provision that allows a taxpayer to elect a special property tax valuation method for certain integrated steel mill and oil refinery-petrochemical equipment; (2) a provision that provides circumstances under which underdeveloped land may be reassessed; (3) a provision that requires certain residential rental property to compute assessments using the lowest assessed valuation of certain appraisal techniques; (4) a provision that provides that the gross rent multiplier method is the preferred method for valuing certain rental properties; (5) a provision that provides alternative property tax assessment methodologies for riverboats; (6) a provision that provides that the value of federal income tax credits awarded under Section 42 of the Internal Revenue Code may not be considered in determining the assessed

value of low income housing tax credit property; and (7) a provision that prescribes a property tax assessment method for certain low income rental property. Voids administrative rules concerning abnormal obsolescence for personal property. Makes a continuing appropriation.

**Effective Date:** Upon passage; July 1, 2008; January 1, 2009; July 1, 2009.

**Explanation of State Expenditures:** *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Bob Sigalow, 317-232-9859.